

LEASE

THIS AGREEMENT, made this 30th day of June, 1995, by and among SWAN BAY HOLDINGS, INC., a Washington corporation ("Landlord") and DOUGLAS MANAGEMENT COMPANY, an Alaska corporation ("Tenant").

WHEREAS, Landlord owns certain premises in King County, State of Washington; and

WHEREAS, Landlord desires to lease those premises to Tenant;

NOW, THEREFORE, for rents reserved and the mutual covenants contained herein, Landlord and Tenant do hereby mutually covenant and agree as follows:

1. LEASED PREMISES

Landlord does demise, lease and let unto Tenant and Tenant does rent and accept from Landlord the premises located at 7100 Second Avenue S.W., Seattle, Washington 98106 and legally described on Exhibit A attached hereto and incorporated herein by this reference (the "Premises"). The Premises shall consist of the dock and buildings located on the Premises, together with all other improvements constructed thereon for the use of Tenant and any and all fixtures and equipment installed upon the Premises by Landlord the use of Tenant.

2. USE

The Premises shall be used for the purpose of wharfage, moorage, stevedoring, equipment storage and maintenance, and related offices and for no other purpose.

3. TERM OF LEASE

The term of this Lease (the "Term") shall commence on the date hereof (the "Commencement Date"). The Term shall expire May 31, 2005.

4. RENT

4.1 Tenant covenants and agrees to pay a minimum rent ("Annual Base Rent") of one hundred eighty thousand dollars (\$180,000) plus a rent based on fifty percent (50%) of Tenant's gross revenue from the Premises that are in excess of two hundred fifteen thousand dollars (\$215,000) ("Excess Rent"). Tenant's gross revenue from the Premises shall include but is not limited to charges for wharfage, moorage, storage, stevedoring and other revenue directly related to the uses of the Premises. The Annual Base Rent shall be payable in twelve equal monthly installments,

commencing June 1, 1995 (the "Rental Commencement Date") and the Excess Rent for the period ended December 31, shall be paid in one sum within thirty (30) days following each calendar year end or following the Lease Termination Date. The Excess Rent for a partial year shall be based on the gross revenue from the Premises received by Tenant during the portion of the year falling within the Term. At the time the Excess Rent payment is due, Tenant shall provide Landlord with an accounting of the gross revenue received by Tenant from the Premises, which accounting shall be subject to Landlord's review and acceptance. The monthly rent payments shall be made promptly in advance on the first day of each and every month during the Term without demand and without offset or deduction for any reason whatsoever, including any default of Landlord.

4.2 Beginning January 1, 1997, the Annual Base Rent and Excess Rent limit shall be increased by three percent (3%) annually.

4.3 In the event that Tenant is delinquent more than fifteen (15) days in the payment of any Annual Base Rent due hereunder or of any Additional Rent that Tenant is required to pay under any other term of this lease, Tenant shall pay to Landlord a late charge of five percent (5%) of the delinquent amount.

5. ADDITIONAL RENT

The Tenant shall pay as Additional Rent any money or charge required to be paid by Tenant to Landlord under any provision of this Lease, whether or not the same be designated Additional Rent. Tenant shall also pay all taxes and assessments of any nature arising from ownership or operation of the Premises, leasing or rents collected, including business and occupation or similar gross receipts taxes, other than federal or State income tax or franchise tax. Payment of Additional Rent shall be made when due, and with the same consequences for default in the payment thereof, as apply to the Annual Base Rent. Tenant's rental obligation hereunder shall be construed to effect the payment of rent to Landlord absolutely net of all expenses.

6. SECURITY DEPOSIT

Upon execution hereof, Tenant shall deposit with Landlord the sum of Thirty Thousand Dollars (\$30,000) as security for the performance by Tenant of Tenant's obligations hereunder. This deposit shall not bear interest. If Tenant shall default in performance of any of Tenant's obligations hereunder, Landlord may apply the whole or any part of such security deposit to the performance of any such obligation. Tenant shall, within ten (10) days after notice of any such application, restore the amount on deposit to its original balance. Any balance of the security deposit remaining after satisfaction of any default by

Tenant shall be returned to Tenant within thirty (30) days of the expiration or sooner termination of this Lease.

7. ALTERATIONS, REPAIRS, MAINTENANCE, AND EXPENSES

7.1 Tenant shall make no changes, improvements, or alterations in the Premises without the prior written consent of Landlord, which Landlord may withhold or condition in its sole discretion.

7.2 Tenant shall take good care of and maintain in good state of repair any and all portions of the Premises or the land upon which the Premises are situated, including, but not limited to, the roof and foundation of the Premises, all electrical, heating, plumbing and mechanical systems, and all interior and exterior glass, including any necessary capital improvements thereto or replacements thereof, and shall upon the expiration of the term surrender the Premises in good order and condition. Tenant shall be responsible for removing snow, litter, and debris from any sidewalks or parking lots on the Premises.

7.2.1 Tenant shall pay as Additional Rent pursuant to paragraph 5 above, all assessments, LIDs or similar charges that have been or may be imposed by any governmental entity and that may fall due during the Term of the Lease, but only to the extent that such charges correspond to the period during which Tenant is entitled to possession of the Premises under the Lease.

7.3 Tenant shall pay all such other costs and expenses of possession or occupying the Premises as may be required to ensure that the rent payable to Landlord shall be absolutely net of all expenses.

8. UTILITIES

Tenant shall pay for all utilities and other services provided to the Premises including but not limited to hot and cold water, gas, oil, electricity, exterminating contracts, heat, snow removal, and trash removal.

9. ESTOPPEL CERTIFICATE

Landlord and Tenant agree to execute a certification of the existence and status of the Lease upon the request of the other party.

10. EVENTS CAUSING DEFAULT

10.1 Notwithstanding anything in this Lease to the contrary, it is agreed that the following shall constitute

defaults hereunder entitling Landlord to exercise all rights and remedies provided under this Lease and otherwise by law:

10.1.1 failure of Tenant to pay all or any part of any installment of Annual Base Rent, Excess Rent, or any Additional Rent within fifteen (15) days after Landlord shall have given notice to Tenant of the existence of such default;

10.1.2 failure of Tenant to perform or observe any covenant, term or condition of this Lease, which failure continues for a period of ten (10) days after Landlord shall have given notice thereof to Tenant; provided however, that if the default cannot reasonably be cured within said ten (10) day time period, Tenant shall not be deemed in default if a cure is initiated by Tenant during the ten (10) day time period and is thereafter diligently prosecuted to completion; provided further, that no cure period or notice requirement shall be applicable in the event of any default described under section 10.1.6, which events of default shall cause an automatic and immediate acceleration of all sums due hereunder as provided in section 23.3.

10.1.3 the vacating, desertion or abandonment of the premises or failure of Tenant to continue its business thereon;

10.1.4 failure of Tenant to maintain the insurance provided for in this Lease;

10.1.5 failure of any certificate, statement, representation, warranty or audit heretofore or hereafter furnished by or on behalf of Tenant to have been accurate in all material respects at the time the facts therein set forth were stated or certified.

10.1.6 (i) institution of legal proceedings seeking to have Tenant adjudicated bankrupt, reorganized or rearranged under the bankruptcy laws of the United States, or for relief under any other law for the relief of debtors; or (ii) the appointment of a trustee or receiver for Tenant's assets; or (iii) an assignment for the benefit of creditors.

11. SIGNS

Tenant shall have the right and privilege of erecting upon the Premises only such signs as are required by Tenant for the purpose of identifying Tenant. Such signs shall comply with the applicable laws, rules, and regulations of all governmental entities having jurisdiction thereof. The erection of such signs shall not cause any structural damage to any building or improvements on the Premises, and in any event Tenant shall pay

all cost and expense for installation or removal of signs and the repair of any damage caused thereby.

12. FIXTURES

12.1 Tenant may install upon the Premises any equipment and fixtures necessary to its business. If Tenant is in default and vacates the Premises or is dispossessed and fails to remove any equipment, fixtures or other property within thirty (30) days after such default or dispossession, Landlord may, but shall not be obligated to, dispose of such equipment, fixtures, or other property as provided by law. In lieu thereof, Landlord shall have the option to remove such property and charge the reasonable cost and expense of removal and storage to Tenant.

12.2 Tenant may at any time remove any of its property located or installed on the Premises; provided that, at the time of such removal, that Tenant is not in default pursuant to the terms and conditions of this Lease, and that Tenant, at its own cost and expense, shall repair any damage to the Premises caused by such removal.

13. ASSIGNMENT AND SUBLETTING

13.1 Tenant may not assign this Lease or sublease all or any part of the Premises without Landlord's prior written consent, which consent shall be granted, withheld, or conditioned in Landlord's sole discretion. Tenant shall notify Landlord in writing of its request for approval of any assignment or sublease and shall provide Landlord with such information regarding the potential assignee or sublessee as requested by Landlord. Landlord shall then have fifteen (15) days within which to make an election and notify Tenant thereof.

13.2 In the event Landlord elects to permit Tenant to assign the Lease, Tenant shall provide Landlord with a written undertaking by the proposed assignee to assume the terms and conditions of this Lease. Notwithstanding the foregoing and unless expressly waived in writing by Landlord, which waiver may only be given with the written consent from National Bank of Alaska, Tenant shall remain directly and primarily liable for the performance of the terms and conditions of this Lease. Landlord reserves the right, at all times, to require and demand that Tenant pay and perform the terms and conditions of this Lease.

13.3 Any further or subsequent assignment or sublease shall be subject to the same terms and conditions as provided in paragraphs 13.1 and 13.2 above.

14. FIRE AND CASUALTY

In case of any damage to or destruction of any part of the Premises by fire or other casualty occurring during the Term

of this Lease or prior thereto, which shall render the Premises unfit for occupancy and which damage cannot be repaired within ninety (90) days following the insurance adjustment covering such casualty, the Lease shall terminate at the option of Landlord from the date of such destruction or damage. Landlord must notify Tenant of its decision whether to terminate the lease within forty-five (45) days of the date of the casualty. If Landlord shall elect not to cancel this Lease, Tenant shall thereupon repair and restore the Premises, and the Annual Base Rent shall not be abated during the pendency of such repairs. Tenant shall insure all improvements upon the Premises against all perils in an amount equal to their replacement cost and sufficient to prevent Tenant from becoming a coinsurer. Tenant's obligation to restore the Premises shall apply regardless of the availability of such proceeds.

15. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

15.1 Tenant shall, from and after accepting and occupying the Premises, promptly and at Tenant's cost and expense, execute and comply with all statutes, ordinances, rules, orders, regulations and requirements of any governmental entity having jurisdiction over the Premises.

15.2 Tenant shall, at its own cost and expense, comply with such regulations or requests as may be required by any fire or liability insurance carriers providing insurance for the Premises.

15.3 Tenant shall not commit any nuisance, nor permit the emission of any objectionable sound, noise or odors that would be violative of any applicable governmental rule or regulation or would per se create a nuisance. Tenant shall handle and dispose of all rubbish, garbage and waste in connection with Tenant's operations in the Premises in accordance with reasonable regulations established by Landlord from time to time.

16. HAZARDOUS SUBSTANCE CONTAMINATION

16.1 Tenant hereby indemnifies and holds Landlord harmless from any damages suffered by any person or entity, including without limitation the costs of any remedial action or cleanup necessitated, suffered, or incurred by and arising out of or related to any contamination of the Premises (or property adjacent to the Premises, if caused by activity upon, or contamination of, the Premises) by any substance classified as hazardous or toxic by any federal, state, or governmental entity. Tenant's liability hereunder shall not be affected by the source of any such contamination or by the fact that such contamination occurred before the execution of this Lease, or by the fact that Landlord or any other party is or may be partially or wholly at fault for such contamination.

16.2 Notwithstanding any contrary provision of this Lease, Tenant's obligations under this paragraph shall survive the expiration or assignment of the Lease and shall continue until the expiration of any statute of limitations governing Landlord's liability under any applicable state or federal law pertaining to the contamination of the Premises by any toxic or hazardous substance.

17. QUALITY OF TITLE

17.1 This Lease is subject to all encumbrances, easements, zoning, and restrictions of record, if any, and to all facts that an accurate survey would disclose.

17.2 Tenant agrees that this Lease shall be subordinate to the deed of trust securing the National Bank of Alaska Note. Tenant agrees to attorn to any person succeeding to the interest of Landlord upon any foreclosure or conveyance in lieu thereof provided such person succeeding to the interest of Landlord shall agree not to disturb the possession or tenancy of Tenant so long as Tenant is not in default under the Lease. Tenant agrees that this Lease may be subordinated to any mortgage or deed of trust hereafter placed on the Premises upon the election of Landlord in writing and upon written consent of the holder of the first lien against the Premises. Any subsequent subordination of this Lease shall be subject to the provisions of attornment and non-disturbance set forth in this paragraph.

18. FORCE MAJEURE

Except for the obligation of tenant to pay rent and other charges as in this Lease provided, the period of time during which Landlord or Tenant is prevented from performing any act required to be performed under this Lease by reason of fire, catastrophe, strikes, lockouts, civil commotion, acts of God, governmental prohibitions or preemptions, embargoes, inability to obtain material or labor, the act or default of the other party, or other events beyond the reasonable control of Landlord or Tenant, as the case may be, shall be added to the time for performance of such acts.

19. TENANT TO MAINTAIN INSURANCE

19.1 During the entire term of the Lease, Tenant shall keep the Premises insured for its replacement value against loss or damage with any insurance company licensed to do business in the State of Washington. Said policy is to list Landlord as an additional insured. Tenant shall pay all premiums therefor, and shall deliver all policies and renewals thereof to Landlord.

19.2 Tenant shall obtain and keep in force a general public liability insurance policy insuring Landlord

against liability for any personal injury, including death, and for property damage arising from any accident or otherwise in or about the Premises. The limits of said insurance for injuries to any person or persons shall be not less than \$1,000,000 in any one accident or occurrence, and for loss or damage to property of any person or persons for not less than \$1,000,000. Said policy shall name Landlord as an additional insured.

19.3 When the Premises are used for wharfage, moorage or stevedoring activities, Tenant shall secure the following insurance:

a. Protection and Indemnity Insurance with limits of not less than \$5,000,000 each occurrence.

b. Hull and Machinery Insurance in the broadest available terms upon a vessel tied to the dock, in an amount equal to the full actual market value of the vessel.

c. Worker's Compensation and United States Longshore and Harbor Workers Insurance as required for all employees.

d. Pollution Liability Insurance, including coverage under the Oil Pollution Act of 1990 and the Comprehensive Environmental Response Compensation Liability Act of 1980 ("CERCLA"), as amended, in the minimum amount of \$5,000,000.

Tenant shall furnish evidence of such insurance coverage promptly upon request to Landlord. Tenant shall arrange to have Landlord named as additional assured and waive subrogation against Landlord on the insurance named in paragraphs 19.3 a., b. and d. above.

19.4 Without limiting the scope of any other indemnity provided for in this Agreement, Tenant agrees to and shall save, hold and keep harmless and indemnify Landlord from and for any and all payments, expenses, costs, attorneys fees and from and for any and all claims for liability losses or damages to property or injuries to persons occasioned wholly or in part by or resulting from the occupancy by Tenant and/or any act or omission by Tenant, its agents, servants, and employees.

20. CONDEMNATION

If the property is permanently deprived of access, or if the whole Premises are taken by condemnation or deeded to any entity having the power of eminent domain in lieu of condemnation, this Lease shall terminate as of the date of such condemnation. In the event of any partial condemnation of the Premises, this Lease shall remain in full force and effect and Tenant shall be entitled to no abatement in rent, but shall be

entitled to a portion of any condemnation proceeds actually received by Landlord equal to the same proportion that the part of the Premises taken bears to the whole of the Premises, reduced further in the same proportion that the unexpired term of the Lease bears to the useful life of any improvements on the Premises. Tenant shall have the right to make a claim against the condemning authority for any independent claim that it may have and as may be allowed by law, for costs and damages due to relocating, moving and other similar costs and charges directly incurred by Tenant and resulting from such condemnation, except to the extent that the same would reduce any amounts otherwise to be awarded to Landlord.

21. QUIET ENJOYMENT

Upon paying all rental provided for herein and upon performing all of the other covenants and conditions contained in this Lease, Tenant shall and may peaceably and quietly have, hold and enjoy the Premises for the Term aforesaid.

22. DEFAULT BY LANDLORD

Tenant's remedies in the event of default by Landlord shall be limited to injunctive relief or an action for damages. Notwithstanding anything to the contrary contained in this Lease, Tenant shall have no right to terminate this Lease under any circumstances.

23. DEFAULT BY TENANT

23.1 In the event of default by Tenant under this lease, Landlord shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

23.1.1 Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and, if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rental, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, by force if necessary, without being liable for prosecution or any claim of damages therefor.

23.1.2 Enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, by force if necessary, without being liable for prosecution or any claim for damages therefor, with or without having terminated this Lease.

23.1.3 Enter upon the Premises by force if necessary, without being liable for prosecution or any claim for

damages therefor, and do whatever Tenant is obligated to do under the terms of this Lease, and Tenant agrees to reimburse Landlord on demand for any expenses which Landlord may incur in this effecting compliance with Tenant's obligations under this Lease, and Tenant further agrees that Landlord shall not be liable for any damages resulting to the Tenant from such action.

23.1.4 Alter all locks and other security devices at the Premises without termination of this Lease.

23.2 Exercise by Landlord of any one or more remedies hereunder granted or otherwise available shall not be deemed to be an acceptance of surrender of the Premises by Tenant, whether by agreement or by operation of law, it being understood that such surrender can be effected only by the written agreement of Landlord and Tenant and then only with the prior written consent of the holder of the National Bank of Alaska Note. No such alteration of locks or other security devices and no removal or other exercise of dominion by Landlord over the property of Tenant or others at the Premises shall be deemed unauthorized or constitute a conversion, Tenant hereby consenting, after any event of default, to the aforesaid exercise of dominion over Tenant's property within the Premises. All claims for damages by reason of such re-entry and/or repossession and/or alteration of locks or other security devices are hereby waived, as are all claims for damages by reason of any distress warrant, forcible detainer proceedings, sequestration proceedings or other legal process. Tenant agrees that any re-entry by Landlord may be pursuant to judgment obtained in forcible detainer proceedings or other legal proceedings or without the necessity for any legal proceedings, as Landlord may elect, and Landlord shall not be liable in trespass or otherwise.

23.3 In the event Landlord elects to terminate this Lease by reason of an event of default, then notwithstanding such termination, Tenant shall be liable for and shall pay to Landlord the sum of all rental and other indebtedness accrued to the date of such termination, plus, as damages, the then-present value of the balance of all Annual Base Rent and Additional Rent due under the terms of this Lease, calculated using a discount rate equal to the then-current interest rate applicable for Five-year Treasury Bill, constant maturity.

23.4 In the event that Landlord elects to repossess the Premises without terminating this Lease, then Tenant shall be liable for and shall pay to Landlord all rental and other indebtedness accrued to the date of such repossession, plus rental required to be paid by Tenant to Landlord during the remainder of the Lease term until the date of expiration of the term diminished by any net sums thereafter received by Landlord through reletting the Premises during said period (after deducting expenses incurred by Landlord as provided in paragraph 23.5 below). In no event shall Tenant be entitled to any excess

of any rental obtained by reletting over and above the rental herein reserved. Actions to collect amounts due by Tenant to Landlord as provided in this Article 23 may be brought from time to time, on one or more occasions, without the necessity of Landlord's waiting until expiration of the Lease term.

23.5 In case of any event of default by Tenant, Tenant shall also be liable for and shall pay to Landlord, in addition to any sum provided to be paid above, brokers' fees incurred by Landlord in connection with reletting the whole or any part of the Premises, the costs of removing and storing Tenant's or other occupant's property, the costs of repairing, altering, remodeling or otherwise putting the Premises into condition acceptable to a new tenant or tenants, and all reasonable expenses incurred by Landlord in enforcing Landlord's rights and/or remedies including reasonable attorneys' fees. All such amounts shall be due and payable by Tenant to Landlord at such time or times as the same shall have been incurred by Landlord.

23.6 In the event of termination or repossession of the Premises for an event of default, Landlord shall not have any obligation to relet or attempt to relet the Premises, or any portion thereof, or to collect rental after reletting; and in the event of reletting, Landlord may relet the whole or any portion of the Premises for any period, to any tenant, and for any use and purpose.

23.7 If Tenant should fail to make payment or cure any default hereunder within the time herein permitted, Landlord, without being under any obligation to do so and without thereby waiving such default, may make such payment and/or remedy such other default for the account of Tenant (and enter the Premises for such purpose), and thereupon Tenant shall be obligated to, and hereby agrees, to pay Landlord, upon demand, all costs, expenses and disbursements (including reasonable attorneys' fees) incurred by Landlord in taking such remedial action.

23.8 Notwithstanding any provision of this Lease to the contrary: (i) no termination of this Lease by Landlord upon default by Tenant, shall be effected unless Landlord shall have served a notice upon Tenant electing to terminate this Lease upon a specified date not less than fifteen (15) days after the date of serving such notice; and (ii) the prior written consent of "the holder of the National Bank of Alaska Note" shall be required for Landlord to exercise its power to terminate this Lease and for Landlord to accept surrender of the Premises by Tenant.

24. GENERAL INDEMNITY

Landlord shall not be liable to Tenant or to any third person, firm or corporation whatsoever for any injury to, or

death of, any person, or for any loss of, or damage to, property (including property of Tenant) occurring in or about the Premises from any cause whatsoever. Tenant agrees to indemnify and save Landlord harmless from all loss, damage, liability or expense (including attorneys' fees and expenses of litigation) arising out of or resulting from any actual or alleged injury to, or death of, any person, or from any actual or alleged loss of, or damage to, property caused by, or resulting from, any act or omission, whether negligent or otherwise, of Tenant or Landlord, or any officer, agent, employee, contractor, guest, invitee, customer or visitor of either Landlord or Tenant.

25. GUARANTY

Tenant shall provide Landlord with a Guaranty of this Lease executed by Lynden Incorporated acceptable to Landlord in its sole discretion upon the execution hereof.

26. LEASE NOT TO BE RECORDED

This Lease shall not be filed or recorded in any public record, however, a Memorandum of Lease will be recorded.

27. NOTICES

All notices, demands and requests that are required or desired to be given, shall be in writing and shall be sent by prepaid, registered or certified mail, return receipt requested, addressed as follows:

TO LANDLORD: Swan Bay Holdings, Inc.
P. O. Box 3757
Seattle, Washington 98124-3757

TO TENANT: Douglas Management Company
P. O. Box 3757
Seattle, Washington 98124-3757

28. SEVERABLE PROVISIONS

If any term, provision or condition of this Lease is held invalid or unenforceable, such holding shall be without effect upon the validity or enforceability of any other provision, term or condition of this Lease.

29. MERGER

All prior understandings and agreements between Landlord and Tenant are merged in this Lease. It completely expresses their full agreement. It has been entered into after full investigation, neither party relying upon any statements made by anyone else that are not set forth in this Lease.

30. CHANGES MUST BE IN WRITING

This Lease may not be changed or canceled except in writing. This Lease shall also apply to and bind the distributees, heirs, executors, administrators, and successors of the respective parties.

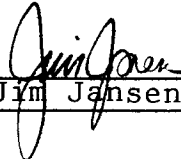
31. APPLICABLE LAW

The Lease shall be construed pursuant to the laws of the State of Washington.

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first above written.

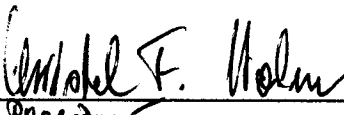
LANDLORD:

SWAN BAY HOLDINGS, INC.

By: 
Its: Jim Jansen, Secretary-Treasurer

TENANT:

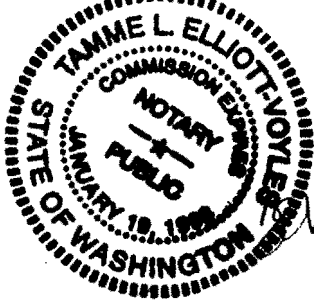
DOUGLAS MANAGEMENT COMPANY

By: 
Its: President

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 29th day of June 1995, before me,
the undersigned, a Notary Public in and for the State
of Washington, duly commissioned and sworn, personally appeared
Jim Jansen to me known to be the Secretary - Treasurer of
SWAN BAY HOLDINGS, INC., the corporation that executed the
foregoing instrument, and acknowledged the said instrument to be
the free and voluntary act and deed of said corporation, for the
uses and purposes therein mentioned, and on oath stated that
he/she was authorized to execute the said instrument and that the
seal affixed, if any, is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the
day and year first above written.



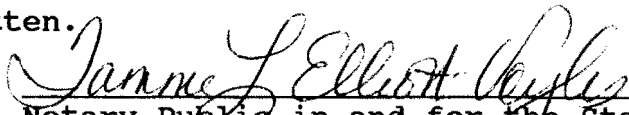
Tamme L. Elliott-Voyles
Notary Public in and for the State
of Washington, residing at
Federal Way

My commission expires: Jan 19, 1998

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 29th day of June 1995, before me,
the undersigned, a Notary Public in and for the State
of Washington, duly commissioned and sworn, personally appeared
Christel F. Holm to me known to be the President of
DOUGLAS MANAGEMENT COMPANY, the corporation that executed the
foregoing instrument, and acknowledged the said instrument to be
the free and voluntary act and deed of said corporation, for the
uses and purposes therein mentioned, and on oath stated that
he/she was authorized to execute the said instrument and that the
seal affixed, if any, is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the
day and year first above written.


Notary Public in and for the State
of Washington, residing at
Federal Way

My commission expires: January 19, 1998



EXHIBIT A

The land referred to in this commitment is situated in the county of King, state of Washington, and described as follows:

PARCEL A:

That portion of the abandoned bed of the Duwamish River in the northwest quarter of Section 29, Township 24 North, Range 4 East, W.M., in King County, Washington, lying southwesterly of the southwesterly margin of the Commercial Waterway District Number 1 right-of-way and lying easterly of the right-of-way and said right-of-way extended south as conveyed by Commercial Waterway District Number 1 to the State of Washington Highway Department, dated July 3, 1953, and recorded under Recording Number 4362487, and north of a line described in decree entered in King County Superior Court Cause No. 732439, which line begins on the westerly margin of the right-of-way of Commercial Waterway District Number 1 at a point which is north $42^{\circ}24'31''$ west along said right-of-way 127.52 feet from its intersection with the north line of Block 1 of the Plat of Portland and Puget Sound Railway Addition, according to the plat thereof recorded in Volume 5 of Plats, page 74, in King County, Washington;
thence south $86^{\circ}42'16''$ west along said line 433.36 feet;
thence south $23^{\circ}37'09''$ west along said line 46.48 feet to the south line of Seaport Addition, according to the plat thereof recorded in Volume 19 of Plats, page 60, in King County, Washington, extended;
thence south $86^{\circ}02'59''$ west along said southerly line 150 feet, more or less, to the end of said line;
EXCEPT any portion thereof, if any, which may lie within Lot 6, Block 5, of the Plat of said Seaport Addition.

PARCEL B:

Lots 7 and 8 in Block 1 of Portland and Puget Sound Railway Addition, according to the plat thereof recorded in Volume 5 of Plats, page 74, in King County, Washington.